

Mölnlycke®

Mölnlycke

May-June 2024

Presenters



Zlatko Rihter

Chief Executive Officer



Susanne Larsson

Chief Financial Officer



Richard Magnusson

Group Treasurer

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Agenda

- About Mölnlycke
- Strategy
- Financial performance
- Proposed transaction

Mölnlycke offers investors a unique investment opportunity

Key credit highlights:

- Long track record of solid organic growth
- Strong industry and financial performance
- Experienced R&D team and recent product launches, supporting a long-term competitive position
- Committed long-term owner
- Non-cyclical business with stable cash flows
- Leading positions in core markets
- Strong sustainability focus

Committed to
Investment
Grade rating

WHO WE ARE



A world-leading
MedTech
company

Revolutionise care for people and planet

Mölnlycke at a glance

Global HQ

in Gothenburg, Sweden

39

commercial entities

8,427

employees worldwide

99%

owned by Investor AB

100

countries where Mölnlycke is present

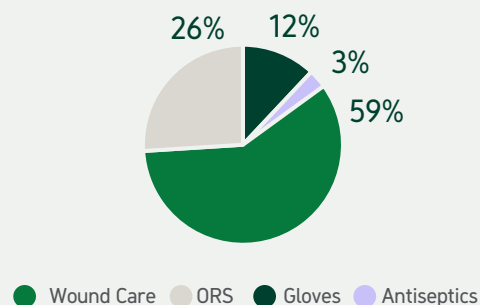
1849

the year Mölnlycke was founded

14

manufacturing sites in eight countries

Sales by Business Area



Our Business Areas



Wound Care



OR Solutions

Financial performance 2023

1,924

Annual sales 2023, million EUR

545

EBITDA 2023, million EUR

7.9%

Organic sales growth, excl. COVID-19 related sales of PPE

28.3%

EBITDA margin

Non-financial performance 2023

20%

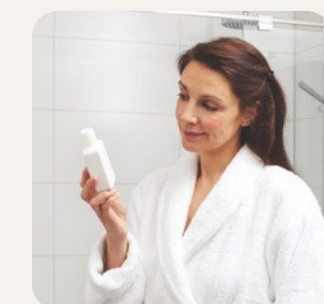
less greenhouse gas emissions across the entire value chain compared to 2021

65%

fossil-free electricity¹



Gloves



Antiseptics

¹ Adjusted from 61% as initially presented in the Annual Report 2023

investor

a long-term, engaged owner

Investor is a Sweden-based industrial holding company, founded by the Wallenberg family in 1916, and a long-term owner of high-quality global companies.

- Investor's purpose is to create value for people and society by building strong and sustainable businesses.

Mölnlycke is
99%
owned by Patricia
Industries,
a part of Investor

Strategy

Our job is to identify the challenges healthcare professionals face, innovate to deliver new solutions, and continue to support the incredible work our customers do.

How we take on our customers' challenges

Market drivers

There are a number of underlying market drivers in health care that support Mölnlycke's opportunities for long-term growth. These shape the company's strategy to drive value and business opportunities.

- Wound Care patients are often treated by generalists.
- Solutions are not always accessible, intuitive, fast or easy-to-use.
- Patients' quality of life is impacted by inadequate prevention, slow healing and reoccurring wounds.
- The immense pressure facing healthcare professionals leads to a high staff turnover and staff shortages.
- Surgeons and operating room staff are forced to conduct more procedures with fewer resources.
- Operating room staff spend substantial time on non-value adding tasks.
- Hand health is critical for the performance of nurses and surgeons.
- Protection, high tactility grip and comfort also impact the performance of caregivers' hands.
- Hand fatigue is a common problem among surgeons and nurses.
- The multi-faceted, cross-functional nature of infection prevention is taking up time and effort.
- Infection prevention behaviours rely on experienced staff and a strong culture, which is difficult to maintain with high staff turnover and shortage of time.



Wound Care



OR Solutions



Gloves



Antiseptics

How we take on our customers' challenges



Wound Care

Free patients, caregivers and healthcare systems from the burden of wounds

Deliver innovative and intuitive solutions for prevention, faster healing and better quality of life



OR Solutions

An operating room in frictionless flow

Create an ecosystem of solutions and services to ensure a frictionless flow in the operating room



Gloves

Hands deserve better

Deliver innovative and sustainable solutions to enable hands to perform at their best



Antiseptics

A world without healthcare-acquired infections

We make patient skin decolonisation manageable and motivational

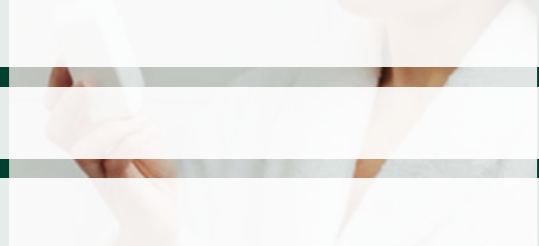
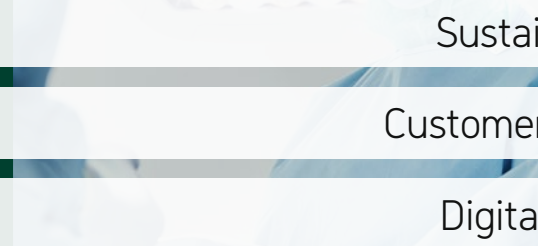
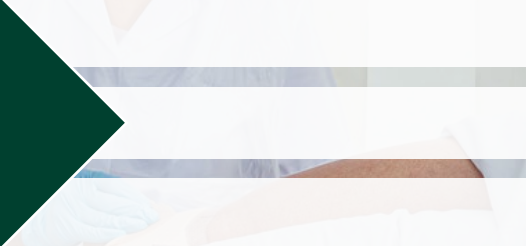
Revolutionise care for people and planet

Wound Care

OR Solutions

Gloves

Antiseptics



Sustainability

Customer-centricity

Digitalisation

Strategic priorities

Be bold, Lead with passion, Embrace partnerships

SUSTAINABILITY

WeCare is Mölnlycke Sustainability Roadmap 2030. It means creating shared value for all our stakeholders. It is a driver for growth, innovation and productivity and an essential part of our employee value proposition.

WeCare strategic focus areas are well embedded at Business Area level and we enhance transparency in reporting (see our 2023 Integrated Annual Report prepared in accordance with GRI). The current pace of operationalising WeCare places us in a good position while we continue our strong efforts going forward.

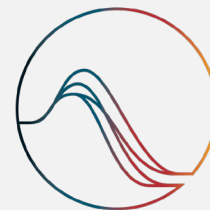


Transforming our business to become a global leader in sustainable healthcare

Key initiatives:

- ✓ Validation of Mölnlycke's near-term targets by Science Based Targets initiative (SBTi) is a significant milestone in reaching our long-term target of **Net Zero by 2050**
- ✓ Fast-paced execution of **fossil-free electricity roadmap** (65% fossil-free electricity use in 2023 and target 100% by the end of 2024, and active sourcing through 2030)
- ✓ Continuous efforts to assess and improve the sustainability profile of our portfolio and ongoing work towards a definition of **Circular Economy**

- ✓ **Improved focus on Safety**
- ✓ **DE&I & Human Rights** Councils and framework development
- ✓ Ongoing **Sustainable Procurement Framework** development



SCIENCE
BASED
TARGETS

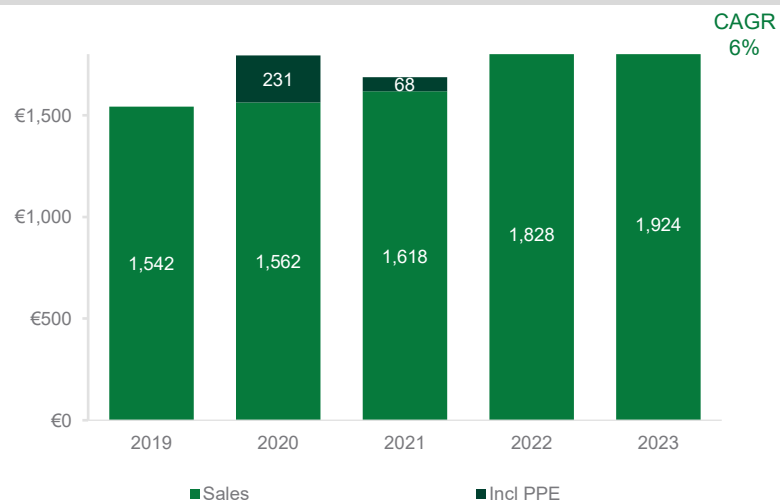
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



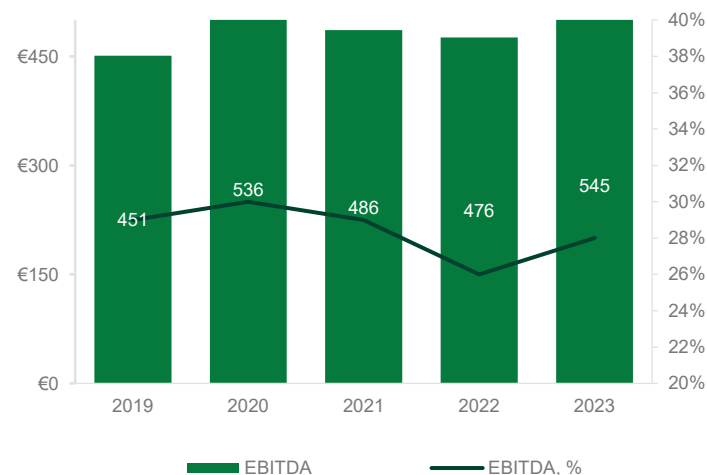
Financial performance

Key financial overview

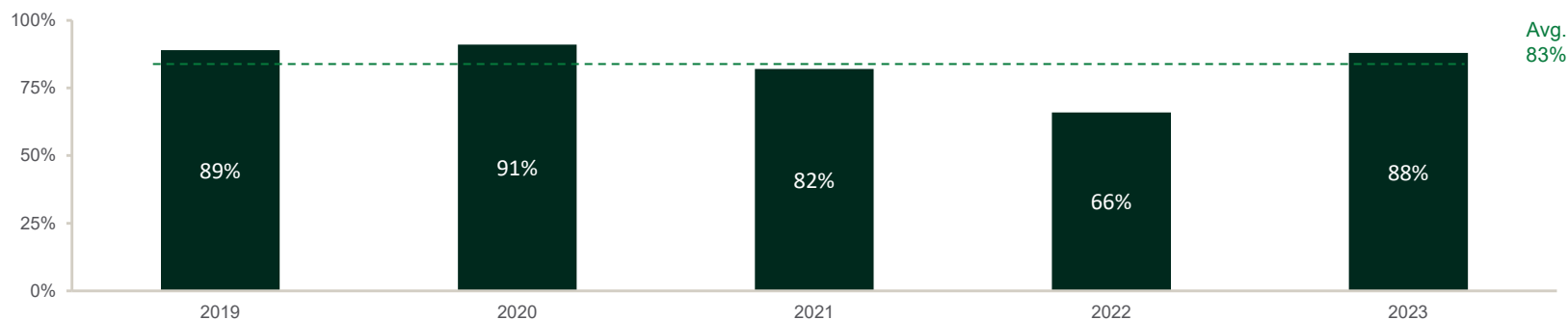
Revenue (EUR million) ¹



EBITDA (EUR million)



Strong cash conversion (% of EBITDA)



Note: Revenue CAGR between 2019 and 2023.

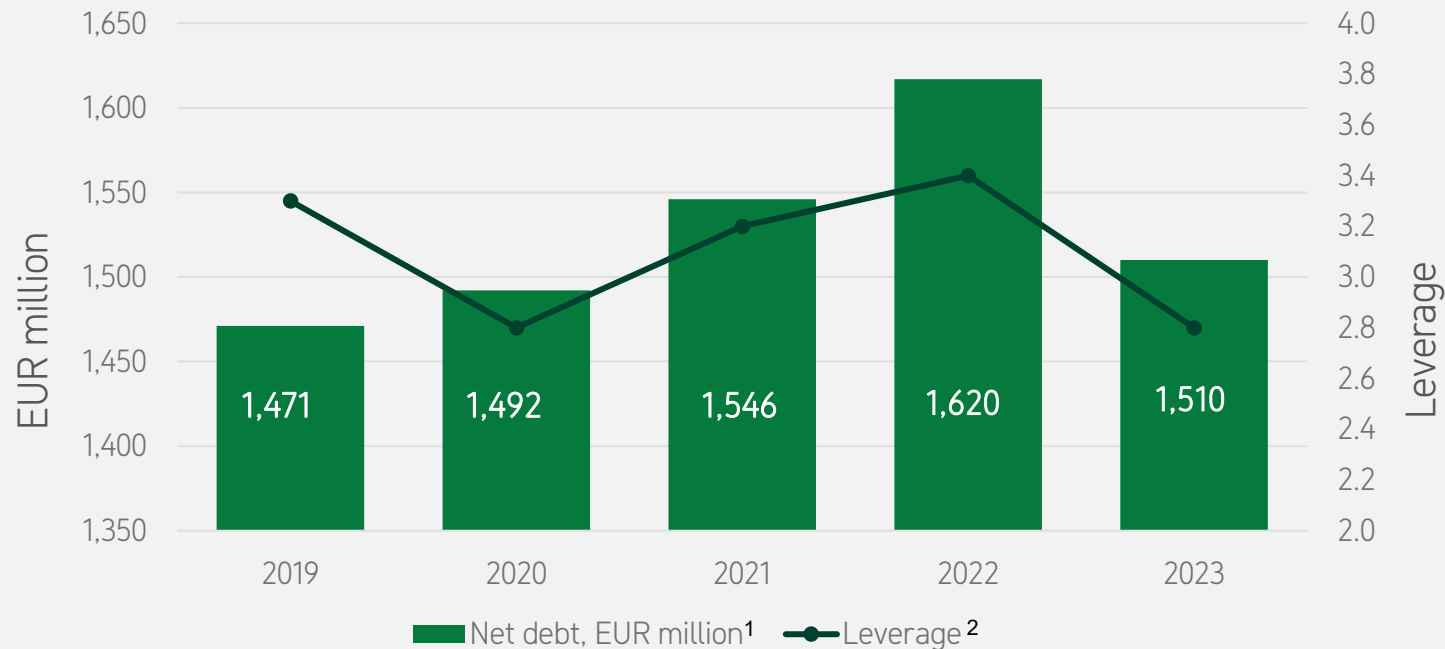
1. Revenue for 2021 and 2020 was positively impacted by one-off orders for staff clothing and protection. Including these one-off orders revenue amounted to EUR 1,686 million in 2021 and EUR 1,793 million in 2020.

2. Source: Smarttrack

Commentary

- ▶ Revenue CAGR of 6% for the period 2019-2023
- ▶ 8% organic revenue growth in both 2022 and 2023
- ▶ Industry leading growth²
- ▶ Average EBITDA margin of 28% for the period 2019-2023
- ▶ The EBITDA drop in 2022 was related to raw materials and logistics costs
- ▶ Highly cash generative
- ▶ Cash conversion of 83% on average for the period 2019-2023.
- ▶ Efficient working capital management preserves capital
- ▶ Capital-light business model provides operating flexibility

Mölnlycke & Investor AB are committed to the company's Investment Grade rating



Financial policy:

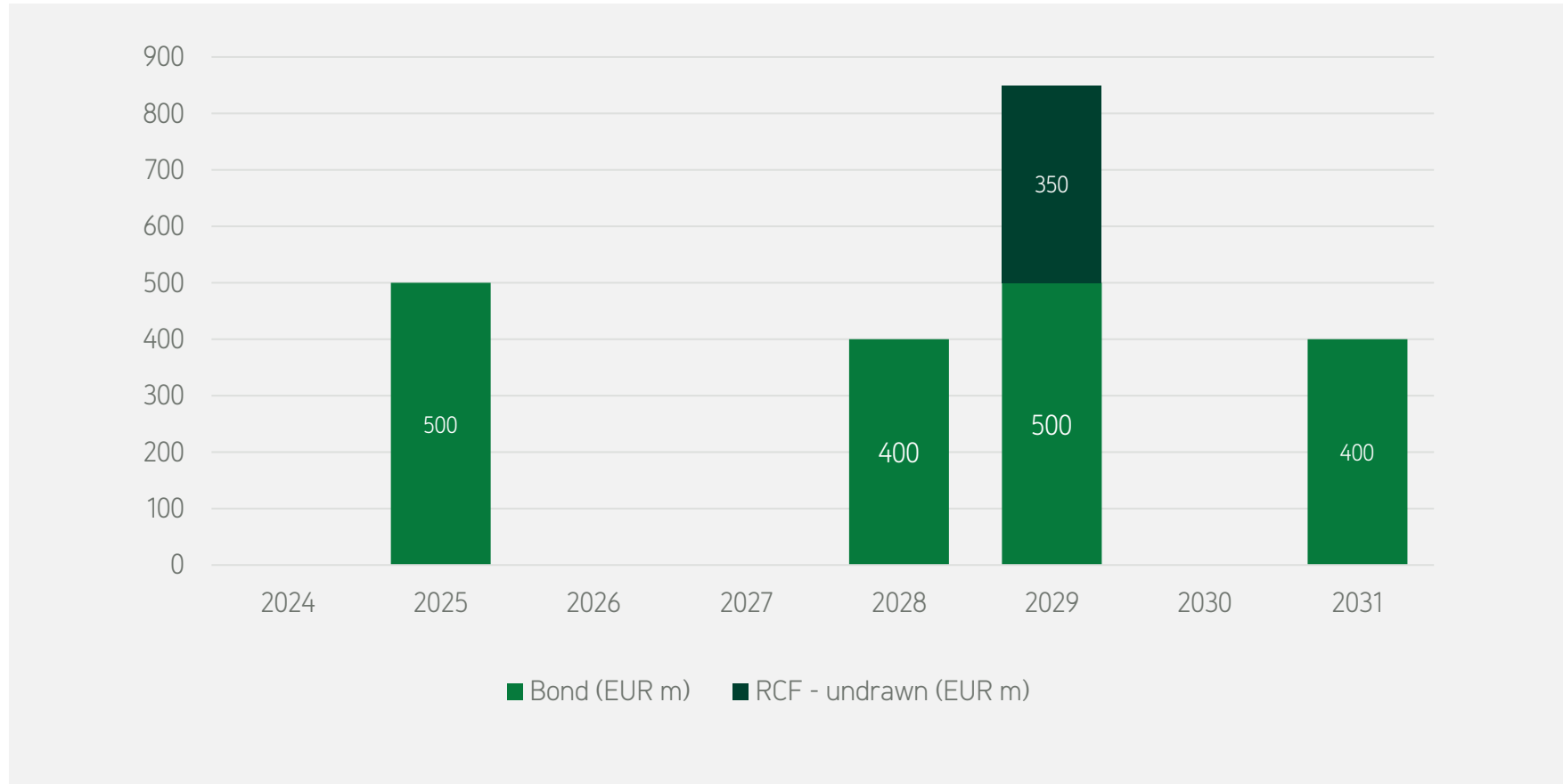
- Current rating BBB- (stable) by S&P
- Target for ongoing leverage 3.0x - 3.5x (Net Debt/EBITDA)
- Cash distribution only if excess capacity within the business
- Key priority: Mölnlycke has the capital to achieve strategic and capital structure goals

Source: Company information

1. Net debt is defined as net interest-bearing debt

2. Leverage is defined as Net debt/EBITDA

Strong liquidity with a long-dated and evenly distributed debt maturity profile



Commentary:

- Renewal of RCF EUR 350M, April 2023, 5+1+1 years. Undrawn. One extension option utilised.
- 3,0 Years minimum average duration of funding portfolio (4,0 years at year-end 2023)
- Longstanding banking relationships with committed and undrawn facilities
- Cash position at year-end 2023 of EUR 548M. (EUR 248M bond redemption in Feb 2024)

S&P Rating BBB- with stable outlook

Long-term

BBB-

On 21 August 2023 S&P affirmed the BBB- (stable) long-term credit rating

“We forecast stable credit metrics supported by solid revenue growth and gradual margin improvements in 2023, with moderating revenue growth in 2024”

Short-term

A-3

“Mölnlycke’s first-half 2023 results highlight resilience in operating performance, despite difficult macroeconomic conditions”

“Its customer-centric business strategy, supported by digitalization and sustainability pillars, promotes Mölnlycke’s competitiveness in the market”

Outlook

Stable

“Our stable outlook on Mölnlycke reflects our view that the company’s leading market positions and strong brand portfolio should enable it to sustain positive underlying revenue growth and earnings generation”

Proposed transaction

Summary of offering

New Issue	
Issuer	Mölnlycke Holding AB (publ)
Issuer Rating	BBB- (stable) by S&P
Expected Ratings of the Notes	BBB- by S&P
Format	Senior, Unsecured, RegS Bearer
Currency	EUR
Amount	EUR 500m Expected
Tenor	10 year
Key Features	Change of Control, 3-month Par Call, Make-Whole Call, Clean-up Call (75%)
Documentation	EMTN
Listing	Lux Euro MTF
Denominations	EUR 100,000 + EUR 1,000
Governing Law	English Law
Use of Proceeds	General Corporate Purposes including financing the Tender Offer announced on 31 May 2024
Joint Bookrunners	BNP Paribas / ING / JP Morgan / SEB

Liability Management ¹	
Issuer	Mölnlycke Holding AB (publ)
Target Notes	EUR 500m 1.875% Notes due February 2025 (XS1564337993)
Offer	To tender the Notes for purchase by the Company for cash
Fixed Purchase Price	98.60%
Amount Subject to the Offer	Any and all of validly tendered Notes (subject to satisfaction of the New Financing Condition)
New Financing Condition	The Offer is subject, without limitation, to the successful completion of the new issue
Priority Allocation	The Company will consider among other factors whether or not the relevant Noteholder seeking an allocation of the new issue has validly tendered, or indicated a firm intention to tender
Rationale	The Offer is being made as part of the Company's proactive balance sheet management strategy in optimising its debt maturity profile. Furthermore, the transaction provides liquidity or reinvestment optionality to those Noteholders whose Notes are accepted in the Offer
Dealer Manager	BNP Paribas / SEB
Tender Agent	Kroll Issuer Services Limited
Offer Expiration Deadline	10 June 2024 at 5.00 p.m. CEST

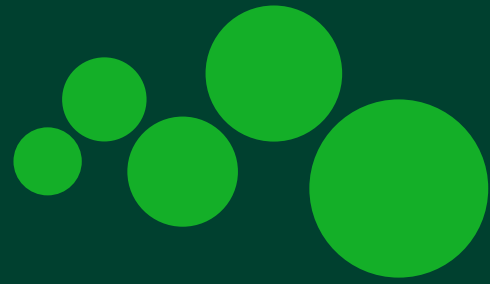
1. Noteholders are advised to read carefully the Tender Offer Memorandum for full details of and information on the procedures for participating in the Offer.

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- Leading positions in core markets
- Strong sustainability focus

Committed to
Investment
Grade rating



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